

DUHRING RESOURCE COMPANY

203 Center Street
P.O. Box 726
Sheffield, PA 16347

Phone (814) 968-3337

Fax (814) 968-3330

SENT VIA FACSIMILE AND REGULAR MAIL

January 28, 2009

Mr. Anthony Scardina
Allegheny National Forest
Bradford Ranger District
29 Forest Service Drive
Bradford, PA 16701

RE: Projects on Lots 8, 9, and 434

Dear Mr. Scardina,

I write in response to your letter of January 13, 2009, and our meeting, at Lot 8, on January 22, 2009.

ROAD PERMIT: At our January 22 meeting you indicated the ANF would review the road distance information submitted by Duhring last year, that the ANF would decide whether to revise its distance information, that the ANF would prepare the road permit application form that has been under discussion, and that you would send that form to Duhring for signature.

On January 23, 2009, I received a telephone message from Mr. Winters indicating the ANF was changing its position and that it would not be preparing the form. Thus we still have unresolved differences as to distances. At this point I am submitting the signed form along with my proposed distances as an attachment.

As in the past, I am signing the road permit under protest. Instead of a unilateral fee determined by the surface owner, the maintenance of the roads should be negotiated. The concept of a "permit" is not consistent with the status of Duhring and the ANF as co-owners.

LOT 8 WELL LOCATIONS: We await a response from you.

TIMBER: As to the Lot 9 timber I understand that Highland does not want the timber at the price determined by the ANF. Given that development I ask that the ANF "market" the Lot 9 timber, with the term "market" having the same meaning as set forth in 30

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JAN-28-2009 16:45 From:DUHRING RESOURCE CO 814 968 3330

To:18143622761

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U.S.C. 226(o)(4)(A). I understand that the ANF will not be able to market the timber within the 60 days set forth in Duhring's plan of operations. However, as to the recent sale of timber from Lot 8 (to New Shawmut Timber Co, 03-155960, Warrant 2752 sale), the ANF was able to bid and sell the trees in a few weeks.

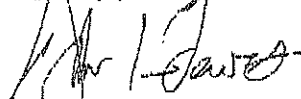
As to the current Lot 9 project (wells 35, 36 etc.) I ask that the ANF market the timber with the speed that is respectful of Duhring's ownership rights.

Please understand that Duhring is not waiving its assertion of rights, stated elsewhere, about its ability to remove timber after reasonable notice, the time of that notice, and the like. However, in the face of the ANF's threats of criminal prosecution Duhring will wait for the ANF to remove the Lot 9 timber. Kindly advise, at your earliest convenience, as to your expected timetable for:

- a) preparing the bid package
- b) advertising the bid package
- c) awarding the bid package
- d) requiring timber removal under the bid package

As to the timber on Lots 8 and 434, I renew the oral request I made of you on January 22, 2009. Please inform Duhring of the ANF's desired timber price as soon as those figures are prepared by the ANF. There is very little, if any, marketable timber on Lot 434 and, perhaps, that fact will allow us to get past the timber hurdle.

Very truly yours,



Arthur J. Stewart

AJS/gst

Application for Permit Non-Federal Commercial Use of Roads Restricted by Order

(Reference FSM 7730)

For Official Use Only			OGM Administrator (FS):		Date of Application: <u>1/1</u>	
Region 9	State PA	Forest Allegheny National Forest	District Bradford	Township	Warrant/Lot Number(s)	
(1) Applicant: <u>Duhring Resource Co.</u>				Federal ID or SS # <u>25-1587249</u>		
Address: <u>600 Market Street</u>				Phone: <u>(814) 723-3221</u>		
City, State, Zip: <u>Warren, PA 16365</u>				Contact Person: <u>Arthur Stewart</u>		

(2) Description and Mileage of Road(s) or Road Segment(s) to be Used (Attach Map):		Calculation(s) for Current Maintenance Fees to be Billed:			
Forest Road #	(X) Number of Miles	(X) Number of Units (Wells, Tons, MBF, etc.)	# Trips	(X) Price per Unit	Total for This FR#
(a) F.R. 148	Please see attached				\$
(b) F.R. 162	letter of 11-26-08				
(c) F.R. 446	to Sheldon Winters				
(d)					
(e)					
-----		Total \$ for This RUP		-----	\$

Use This Space for Any Additional Information/Calculations:

Please note the additional information contained in the January 30, 2008 letter to Anthony Scardina.

(3a) Purpose of Use (Describe):

Hauling:			Equipment or Other (Describe)		
Logs or Lumber:	MBF:	Oil ✓			Tons:

(3b) Describe Materials:

See letter of January 30, 2008

Signature of Applicant: <u>Arthur Stewart, Vice President</u>	Title:	Date: <u>1-25-09</u>
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November 26, 2008

SENT BY FACSIMILE & FIRST CLASS MAIL

Mr. Sheldon Winters
Mr. Jeff Stevenson
Allegheny National Forest
Bradford Ranger District
29 Forest Service Drive
Bradford, PA 16701

RE: Duhring 5 well package (lot 9) (wells 35, 36, 37, 41, and 42)

Dear Sheldon and Jeff,

Per your request I am providing information regarding the Lot 9 wells.

As to the captioned package, the equipment haul will occur over FR 148 and FR 162. The distance on FR 148 is 2.6 miles. Confirming our discussion about road surface on FR 148: our measurements show 1.4 miles is pit run surface; 1.2 miles is limestone. The distance on FR 162 is .3 miles.

The stone haul is .2 miles on FR 162.

As to the specifics of our equipment haul, my January 30, 2008, letter to Anthony Scardina contains information about our company's operations. Our copier is not working and the photocopy of the January 30 letter I gave you, yesterday, wasn't very legible. If you need another copy let me know next week. Also, I can't make copies of your form, so I'm sending you the above information via this letter. Jeff has always completed that form in any event.

As you know, Duhring disagrees with the road permit format and the ANF unilateral fee. As I noted in my last letter to Sheldon, I understand that discussion is out of your hands. However, I think it is good to take note of Duhring's objections and I appreciated your allowing me to voice those, again, yesterday.

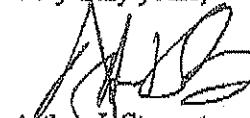
As to the other projects in Cherry Run I understand that, when Sheldon has time, Sheldon will schedule a meeting with me to drive the roads and agree upon distances. My figures for those well packages are as follows:

- 1) Lot 8 wells: 79, 86, 87, 88, 89: FR 148 .6 mile
- 2) Lot 434 wells: 7, 8, 9, 10, 11: FR 148 .2 mile; FR 446 1.4 miles
- 3) Lot 410 wells: 5, 6, 7, 15, 16: FR 148 .2 mile; FR 446 2.9 miles
- 4) Lot 8 wells: 59, 60, 61, 62, 63: FR 148 .7 mile

If those figures are acceptable to the both of you, you can proceed on that basis without the need to drive the roads together.

As always, please call with any questions.

Very truly yours,



Arthur J. Stewart

AJS/gst

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FACSIMILE TRANSMISSION

TO: Anthony Scardina

FROM: Arthur Stewart

DATE: January 28, 2009

TOTAL NUMBER OF PAGES, INCLUDING COVER SHEET: 6